

# FISCAL NOTE

## HB 388 - SB 1891

March 2, 2005

**SUMMARY OF BILL:** Allocates \$2.5 million (in year one) and \$5 million (in year two and subsequent years) of the Tobacco Master Settlement Agreement to establish the Youth Tobacco Preventions, Education and Cessation Fund. Authorizes the Department of Health to establish proposal eligibility criteria and issue tobacco prevention grants. The Department shall review, evaluate, and summarize an annual program outcome report by each grantee and produce a written report on the status of the fund and the activities of the fund.

### ESTIMATED FISCAL IMPACT:


**Other Fiscal Impact – Reduces funding currently available for the State's General Fund by \$2,500,000 in year one and \$5,000,000 in year two and subsequent years. Earmarks \$2,500,000 in year one and \$5,000,000 in year two and subsequent years for the Youth Tobacco Prevention, Education and Cessation Fund.**

#### Assumptions:

- \$2,500,000 in year one and \$5,000,000 in year two and subsequent years will be allocated to a Youth Tobacco Prevention, Education and Cessation Fund from the money received under the Master Settlement Agreement.
- The Department of Health estimates that 31 grants would be awarded in year one and 63 grants awarded in following years.
- The Department would require two additional positions to assist in requests for grant proposals, coordinate contracting activities, assist in contract negotiations, interpret and enforce contracting rules, laws, and policies, and to process invoices from grant recipients.
- Increase in the Department's expenditures would be covered by appropriated revenue from the fund.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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